

Rating Rationale

AMBICA IRON & STEEL PVT LTD

Brickwork Ratings has reviewed the ratings assigned to the bank loan facilities of Rs.7.80 crore of the Ambica Iron & Steel Pvt Ltd, based on best available information, as the company did not cooperate.

Particulars

Facilities [#]	Previous Rated Amount Rs. Crs	Present Rating Amount Rs. Crs	Tenure	Rating ¹	
				Previous Ratings [^]	Present Rating [*]
Fund Based Secured Overdraft	7.80	7.80	Long Term	BWR BB- (Stable) Assigned	BWR B+/Stable Issuer Not Cooperating* Downgrade
Total	7.80	Rs. 7.80 Crore (Rupees Seven Crores and Eighty Lakhs Only)			

*Issuer Not Cooperating: Based on best available information

[^]Not Reviewed the outstanding rating of BWR BB- (Stable) on 27th January 2020.

¹ Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

#Note: Details of Bank facilities are provided in Annexure I

Rating downgraded and migrated to ISSUER NOT COOPERATING* category

Nature of Non-Cooperation:

The rating was due for a review in January 2020. Brickwork Ratings (BWR) took up with the company to provide required information over emails and through telephone communication. Despite the best efforts of Brickwork Ratings to get at least the minimum required information for a review, the entity has not provided the same. Hence, the ratings were migrated to the 'Not Reviewed' category. In the absence of adequate information from the issuer and continued lack of management cooperation, Brickwork Ratings is unable to assess the issuer's financial performance and its ability to service its debt and maintain valid ratings. The entity has not been submitting NDS to BWR. Based on inadequate information and continued lack of management cooperation, Brickwork Ratings has downgraded the rating to 'BWR B+/Stable from BWR BB-/Stable and simultaneously migrated to the Issuer Not Cooperating* category.



LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, non cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency withholding of information required for a review of the rating.

About company

Ambica Iron & Steel Pvt Ltd (AISPL) was incorporated in May 1983, with its registered office at Bisra Road, Rourkela, Odisha and the manufacturing plant located at Beldihi, Kalunga, Sunder Bagh, odisha. The Company is engaged in manufacturing of structured steel products like (Thermo Mechanically Treated) MS Rounds, Flats, Angles, Channels, & Square bar Etc.

Mr. Sanjay Kumar Bansal and Mr. Akhil Gupta are the Directors

No financial information has been submitted to BWR over the last one year

Key Covenants of the facility rated: The terms of sanction include standard covenants normally stipulated for such facilities.

Status of non-cooperation with previous CRA – Acuite RATINGS RESEARCH reaffirmed the rating of ACUIITE B+ Stable and continued to Issue Not Cooperating category for the bank loan facilities of Rs.6.00 Crs on 17th December 2019.

Care Ratings has reaffirmed the rating of CARE B+/ Stable and continued to the Issuer not cooperating category for the bank loan facilities of Rs.6.00 Crs on 19th July 2019.

Rating History for the last three years (Including Withdrawn/Suspended)

Sl. No.	Facilities	Current Rating (2020)			Ratings History		
		Type	Amount (Rs. Cr)	Rating [^]	(24.01.2019)	(2018)	(2017)
1	Fund Based Secured Overdraft	Long Term	7.80	BWR B+/Stable Issuer Not Cooperating* Downgrade	BWR BB- (Stable) Assigned	-	-
Total			Rs. 7.80 Crore (Rupees. Seven Crores and Eighty Lakhs Only)				

[^]Not Reviewed the outstanding rating of BWR BB- (Stable) on 27th January 2020.

* Issuer did not cooperate; Based on best available information

Complexity Levels of the Instruments:

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [What Constitutes Non-Cooperation](#)

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Ambica Iron & Steel Pvt Ltd
Annexure I: Details of Bank Facilities rated

Sl. No.	Name of the Bank	Type of Facilities	Long Term (Rs. Cr)	Short Term (Rs. Cr)	Total (Rs. Cr)
1.	Canara Bank	Fund Based Secured Overdraft	7.80	-	7.80
TOTAL - Rupees Seven Crores and Eighty Lakhs Only					7.80



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